

The following described lands will be offered for oil and gas leasing through oral competitive bidding in the Department of Transportation auditorium, 2701 Prospect Ave., Helena, Montana, beginning at 9:00 am, September 1, 2009

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bidder	Bid \$/Acr
Big Horn								
1	1, 2, 3, 4, 5, 6	8.S	42.E	16	NE4NE4	40.00	_____	_____
2	1, 2, 3, 4, 5, 6	8.S	43.E	3	Lots 1, 3	80.51	_____	_____
3	1, 2, 3, 4, 5, 6	8.S	43.E	18	N2NE4	80.00	_____	_____
4	1, 2, 3, 4, 5, 6	8.S	43.E	21	S2SE4	80.00	_____	_____
5	1, 2, 3, 4, 5, 6	8.S	43.E	22	N2, N2SE4, NE4SW4	440.00	_____	_____
6	1, 2, 3, 4, 5, 6	8.S	43.E	23	All	640.00	_____	_____
7	1, 2, 3, 4, 5, 6, 7	8.S	43.E	28	E2E2	160.00	_____	_____
8	1, 2, 3, 4, 5, 6	8.S	43.E	33	NW4SE4	40.00	_____	_____
9	1, 2, 3, 4, 5, 6, 7	8.S	43.E	34	N2, SE4, N2SW4, SE4SW4	600.00	_____	_____
Carbon								
10	2, 3, 4, 5, 6, 14	5.S	24.E	36	Lot 1, N2, N2SE4, SW4SE4, SW4	635.92	_____	_____
Cascade								
11	1, 2, 3, 4, 5, 6, 7	18.N	3.W	2	Lots 1, 2, SE4NW4, S2NE4, SE4, NE4SW4, S2SW4	* 496.80	_____	_____
12	1, 2, 3, 4, 5, 6, 7	18.N	3.W	16	All	* 640.00	_____	_____
13	1, 2, 3, 4, 5, 6	19.N	2.W	8	N2N2	160.00	_____	_____
14	1, 2, 3, 4, 5, 6	19.N	2.W	9	NW4NW4	40.00	_____	_____
15	1, 2, 3, 4, 5, 6	19.N	2.W	16	All	* 640.00	_____	_____
16	1, 2, 3, 4, 5, 6	19.N	2.W	19	N2SE4, SW4SE4	120.00	_____	_____
17	1, 2, 3, 4, 5, 6	19.N	2.W	20	SE4NW4, N2N2	200.00	_____	_____
18	1, 2, 3, 4, 5, 6	19.N	2.W	23	W2W2	160.00	_____	_____
19	1, 2, 3, 4, 5, 6	19.N	2.W	26	NW4NW4, S2N2, SE4	360.00	_____	_____
20	1, 2, 3, 4, 5, 6, 7	19.N	2.W	30	Lots 1, 2, 3, 4, SE4NW4, N2NE4, SW4NE4, SE4, E2SW4	* 535.20	_____	_____
21	1, 2, 3, 4, 5, 6, 7	19.N	2.W	35	N2SE4, SE4SE4, NE4SW4	160.00	_____	_____
22	1, 2, 3, 4, 5, 6	19.N	2.W	36	All	640.00	_____	_____

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bidder	Bid \$/Acr
23	1, 2, 3, 4, 5, 6	19.N	3.W	4	Lots 1, 2, 3, 4, S2N2, SW4	473.43	_____	_____
24	1, 2, 3, 4, 5, 6	19.N	3.W	13	E2	320.00	_____	_____
25	1, 2, 3, 4, 5, 6	19.N	3.W	16	All	640.00	_____	_____
26	1, 2, 3, 4, 5, 6, 7	19.N	3.W	19	Lots 1, 2, 3, 4, E2W2, E2	503.58	_____	_____
27	1, 2, 3, 4, 5, 6	19.N	3.W	24	NE4, S2	480.00	_____	_____
28	1, 2, 3, 4, 5, 6	19.N	3.W	26	N2NW4, W2NE4	* 160.00	_____	_____
29	1, 2, 3, 4, 5, 6	19.N	3.W	27	NE4NE4	* 40.00	_____	_____
30	1, 2, 3, 4, 5, 6, 7	19.N	3.W	28	N2	* 320.00	_____	_____
31	1, 2, 3, 4, 5, 6	19.N	3.W	30	Lots 1, 2, 3, 4, E2	496.80	_____	_____
32	1, 2, 3, 4, 5, 6	19.N	3.W	36	All	* 640.00	_____	_____
33	1, 2, 3, 4, 5, 6, 7	20.N	2.W	16	All	640.00	_____	_____
34	1, 2, 3, 4, 5, 6, 13	20.N	2.W	36	All	* 640.00	_____	_____
35	1, 2, 3, 4, 5, 6	20.N	3.W	16	All	640.00	_____	_____
36	1, 2, 3, 4, 5, 6	20.N	3.W	28	E2NE4, NE4SE4, S2S2	280.00	_____	_____
37	1, 2, 3, 4, 5, 6	20.N	3.W	30	Lots 1, 2, 3, E2NW4, S2NE4, NW4SE4, NE4SW4	275.31	_____	_____
38	1, 2, 3, 4, 5, 6	20.N	3.W	34	N2, N2SE4, SW4SE4, SW4	600.00	_____	_____
39	1, 2, 3, 4, 5, 6, 7	20.N	3.W	36	All	640.00	_____	_____
Chouteau								
40	1, 2, 3, 4, 5, 6	26.N	15.E	35	E2	* 320.00	_____	_____
41	1, 2, 3, 4, 5, 6	26.N	15.E	36	All	* 640.00	_____	_____
Daniels								
42	1, 2, 3, 4, 5, 6	35.N	45.E	1	Lots 1, 2, 3, 4, S2N2, S2	* 640.40	_____	_____
43	1, 2, 3, 4, 5, 6	35.N	45.E	2	Lots 1, 2, 3, 4, S2N2, SE4	* 480.40	_____	_____
44	1, 2, 3, 4, 5, 6, 8	35.N	45.E	3	Lots 3, 4, S2NW4	160.00	_____	_____
45	1, 2, 3, 4, 5, 6, 8	35.N	45.E	10	NW4, S2	* 480.00	_____	_____
46	1, 2, 3, 4, 5, 6, 8	35.N	45.E	11	NE4, S2	* 480.00	_____	_____
47	1, 2, 3, 4, 5, 6, 8	35.N	45.E	12	All	* 640.00	_____	_____

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bidder	Bid \$/Acr
48	1, 2, 3, 4, 5, 6, 8	35.N	45.E	13	NW4, S2	* 480.00	_____	_____
49	1, 2, 3, 4, 5, 6	35.N	45.E	14	S2	* 320.00	_____	_____
50	1, 2, 3, 4, 5, 6	35.N	45.E	23	NE4, N2SE4, SW4SE4	* 280.00	_____	_____
51	1, 2, 3, 4, 5, 6, 8	35.N	45.E	24	N2, SE4, N2SW4	560.00	_____	_____
52	1, 2, 3, 4, 5, 6, 8	35.N	45.E	25	E2, E2SW4	400.00	_____	_____
53	1, 2, 3, 4, 5, 6, 8	35.N	45.E	26	N2NW4, NW4NE4	120.00	_____	_____
54	1, 2, 3, 4, 5, 6	35.N	46.E	2	Lots 1, 2, 3, 4, S2N2, S2	* 640.08	_____	_____
55	1, 2, 3, 4, 5, 6	35.N	46.E	3	Lots 3, 4, S2NW4, S2	479.98	_____	_____
56	1, 2, 3, 4, 5, 6	35.N	46.E	4	Lots 1, 2, S2NE4, SE4, S2SW4	399.90	_____	_____
57	1, 2, 3, 4, 5, 6, 8	35.N	46.E	5	Lots 1, 2, 4, SW4NW4, SW4	319.76	_____	_____
58	1, 2, 3, 4, 5, 6, 8	35.N	46.E	6	Lots 1, 4, 5, S2NE4, SE4	350.98	_____	_____
59	1, 2, 3, 4, 5, 6	35.N	46.E	7	Lots 3, 4, E2, E2SW4	472.56	_____	_____
60	1, 2, 3, 4, 5, 6	35.N	46.E	8	All	640.00	_____	_____
61	1, 2, 3, 4, 5, 6	35.N	46.E	9	All	640.00	_____	_____
62	1, 2, 3, 4, 5, 6	35.N	46.E	10	W2	320.00	_____	_____
63	1, 2, 3, 4, 5, 6	35.N	46.E	11	S2NW4, NE4SW4, S2SW4	200.00	_____	_____
64	1, 2, 3, 4, 5, 6	35.N	46.E	12	SE4, S2SW4	240.00	_____	_____
65	1, 2, 3, 4, 5, 6	35.N	46.E	13	N2	320.00	_____	_____
66	1, 2, 3, 4, 5, 6, 8	35.N	46.E	14	NE4, W2SW4	240.00	_____	_____
67	1, 2, 3, 4, 5, 6	35.N	46.E	15	NW4, S2	480.00	_____	_____
68	1, 2, 3, 4, 5, 6	35.N	46.E	16	All	640.00	_____	_____
69	1, 2, 3, 4, 5, 6	35.N	46.E	17	S2	320.00	_____	_____
70	1, 2, 3, 4, 5, 6	35.N	46.E	18	Lots 1, 2, 3, 4, E2W2	306.88	_____	_____
71	1, 2, 3, 4, 5, 6, 8	35.N	46.E	19	Lots 1, 2, E2NW4, W2NE4	234.20	_____	_____
72	1, 2, 3, 4, 5, 6, 8	35.N	46.E	20	NW4	160.00	_____	_____
73	1, 2, 3, 4, 5, 6, 8	35.N	46.E	27	N2SE4, SW4	240.00	_____	_____

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bidder	Bid \$/Acr
74	1, 2, 3, 4, 5, 6, 8	35.N	46.E	28	NW4, SE4, E2SW4	400.00	_____	_____
75	1, 2, 3, 4, 5, 6, 8	35.N	46.E	29	N2, SW4	480.00	_____	_____
76	1, 2, 3, 4, 5, 6, 8	35.N	46.E	30	Lots 3, 4, E2, E2SW4	475.28	_____	_____
77	1, 2, 3, 4, 5, 6	35.N	46.E	34	NW4	160.00	_____	_____
78	1, 2, 3, 4, 5, 6, 8	35.N	46.E	36	E2	320.00	_____	_____
79	1, 2, 3, 4, 5, 6	37.N	50.E	16	NW4, SW4NE4, S2	* 520.00	_____	_____
Dawson								
80	1, 2, 3, 4, 5, 6, 11	17.N	56.E	6	Lots 6, 7, E2SW4, Yellowstone Riverbed and related acreage	175.32	_____	_____
81	1, 2, 3, 4, 5, 6	17.N	56.E	16	All	* 640.00	_____	_____
82	1, 2, 3, 4, 5, 6, 8	17.N	56.E	36	All	640.00	_____	_____
83	1, 2, 3, 4, 5, 6, 7	17.N	57.E	16	All	640.00	_____	_____
84	1, 2, 3, 4, 5, 6, 7	17.N	57.E	36	All	640.00	_____	_____
85	1, 2, 3, 4, 5, 6, 10, 11, 12	18.N	57.E	16	Lots 1, 2, 3, 4, 5, NW4, N2NE4, SW4NE4, Yellowstone Riverbed and related acreage	* 640.00	_____	_____
86	1, 2, 3, 4, 5, 6, 7	18.N	57.E	36	All	640.00	_____	_____
87	1, 2, 3, 4, 5, 6	20.N	56.E	24	E2E2, W2	* 480.00	_____	_____
Hill								
88	1, 2, 3, 4, 5, 6	33.N	12.E	7	Lots 1, 2, E2NW4, NE4	318.27	_____	_____
89	1, 2, 3, 4, 5, 6	33.N	12.E	9	W2	320.00	_____	_____
90	1, 2, 3, 4, 5, 6	33.N	12.E	15	NE4, SW4	* 320.00	_____	_____
91	1, 2, 3, 4, 5, 6	33.N	12.E	16	All	* 640.00	_____	_____
92	1, 2, 3, 4, 5, 6	34.N	11.E	1	SW4	* 160.00	_____	_____
93	1, 2, 3, 4, 5, 6	34.N	11.E	2	E2	* 320.00	_____	_____
94	1, 2, 3, 4, 5, 6	34.N	11.E	5	E2	* 320.00	_____	_____
95	1, 2, 3, 4, 5, 6	34.N	11.E	11	W2	* 320.00	_____	_____
96	1, 2, 3, 4, 5, 6	34.N	11.E	12	W2	* 320.00	_____	_____
97	1, 2, 3, 4, 5, 6	34.N	11.E	14	E2	* 320.00	_____	_____
98	1, 2, 3, 4, 5, 6	34.N	11.E	16	All	640.00	_____	_____

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bidder	Bid \$/Acr
99	1, 2, 3, 4, 5, 6	34.N	11.E	18	SE4	* 160.00	_____	_____
100	1, 2, 3, 4, 5, 6	34.N	11.E	19	NE4	* 160.00	_____	_____
101	1, 2, 3, 4, 5, 6	34.N	11.E	20	W2	* 320.00	_____	_____
102	1, 2, 3, 4, 5, 6	34.N	11.E	29	E2	* 320.00	_____	_____
103	1, 2, 3, 4, 5, 6	34.N	11.E	33	W2	320.00	_____	_____
104	1, 2, 3, 4, 5, 6	34.N	11.E	36	All	640.00	_____	_____
Lewis and Clark								
105	1, 2, 3, 4, 5, 6	18.N	4.W	2	Lots 1, 2, 3, 4, S2N2, S2	647.96	_____	_____
106	1, 2, 3, 4, 5, 6	18.N	4.W	4	Lots 1, 2, 3, 4, S2N2, S2	646.99	_____	_____
107	1, 2, 3, 4, 5, 6	18.N	4.W	6	Lots 1 thru 7, SE4NW4, S2NE4, SE4, E2SW4	610.56	_____	_____
108	1, 2, 3, 4, 5, 6	18.N	4.W	10	All	640.00	_____	_____
109	1, 2, 3, 4, 5, 6	18.N	4.W	16	All	640.00	_____	_____
110	1, 2, 3, 4, 5, 6	18.N	4.W	18	Lots 1, 2, 3, 4, E2W2, E2	610.40	_____	_____
111	1, 2, 3, 4, 5, 6	18.N	4.W	36	All	* 640.00	_____	_____
112	1, 2, 3, 4, 5, 6	18.N	5.W	16	All	* 640.00	_____	_____
113	1, 2, 3, 4, 5, 6	19.N	4.W	24	All	640.00	_____	_____
114	1, 2, 3, 4, 5, 6, 7	19.N	4.W	26	All	* 640.00	_____	_____
115	1, 2, 3, 4, 5, 6	19.N	4.W	30	Lots 1, 2, 3, 4, E2NW4, NW4NE4, E2E2, NE4SW4	445.48	_____	_____
116	1, 2, 3, 4, 5, 6	19.N	4.W	32	All	640.00	_____	_____
117	1, 2, 3, 4, 5, 6	19.N	4.W	36	All	640.00	_____	_____
118	1, 2, 3, 4, 5, 6	19.N	5.W	14	W2SW4	80.00	_____	_____
119	1, 2, 3, 4, 5, 6	19.N	5.W	26	All	640.00	_____	_____
120	1, 2, 3, 4, 5, 6	19.N	5.W	30	NE4	* 160.00	_____	_____
121	1, 2, 3, 4, 5, 6	19.N	5.W	32	All	640.00	_____	_____
122	1, 2, 3, 4, 5, 6	19.N	5.W	36	All	640.00	_____	_____
123	1, 2, 3, 4, 5, 6	19.N	6.W	1	Lots 1, 2, S2N2	* 239.50	_____	_____
124	1, 2, 3, 4, 5, 6	19.N	6.W	2	S2NE4, W2SW4	* 160.00	_____	_____

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bidder	Bid \$/Acr
125	1, 2, 3, 4, 5, 6	19.N	6.W	36	N2, SE4	* 480.00	_____	_____
126	1, 2, 3, 4, 5, 6, 13	20.N	6.W	24	NW4, N2NE4, SW4NE4, S2SE4	360.00	_____	_____
127	1, 2, 3, 4, 5, 6	20.N	6.W	26	NW4	* 160.00	_____	_____
128	1, 2, 3, 4, 5, 6	20.N	6.W	27	S2SW4	80.00	_____	_____
129	1, 2, 3, 4, 5, 6	20.N	6.W	34	N2NW4	80.00	_____	_____
130	1, 2, 3, 4, 5, 6	20.N	6.W	35	N2N2	* 160.00	_____	_____
131	1, 2, 3, 4, 5, 6	20.N	6.W	36	All	* 640.00	_____	_____
Richland								
132	1, 2, 3, 4, 5, 6, 7, 10, 11	19.N	58.E	16	Lots 1, 2, 3, 4, 5, E2, NE4SW4, S2SW4, Yellowstone Riverbed and related acreage	640.00	_____	_____
133	1, 2, 3, 4, 5, 6, 11, 13	19.N	58.E	30	SE4, Yellowstone Riverbed and related acreage	190.00	_____	_____
134	1, 2, 3, 4, 5, 6, 7	19.N	58.E	36	All	640.00	_____	_____
135	1, 2, 3, 4, 5, 6	20.N	57.E	16	All	* 640.00	_____	_____
136	1, 2, 3, 4, 5, 6	20.N	57.E	36	All	640.00	_____	_____
Rosebud								
137	1, 2, 3, 4, 5, 6, 9	12.N	32.E	26	N2	320.00	_____	_____
138	1, 2, 3, 4, 5, 6, 7	12.N	32.E	36	All	640.00	_____	_____
139	1, 2, 3, 4, 5, 6, 7, 9	12.N	33.E	36	Lots 1 thru 24, N2	1244.52	_____	_____
140	1, 2, 3, 4, 5, 6, 7	6.S	42.E	16	Lots 1 thru 10, S2NE4, SE4	663.99	_____	_____
141	1, 2, 3, 4, 5, 6, 7, 10	6.S	42.E	21	SW4NE4, NW4SE4, NE4SW4	* 120.00	_____	_____
142	1, 2, 3, 4, 5, 6, 7, 10, 13	6.S	42.E	22	W2SE4	* 80.00	_____	_____
143	1, 2, 3, 4, 5, 6, 7, 10	6.S	42.E	23	NE4SW4, S2SW4	* 120.00	_____	_____
144	1, 2, 3, 4, 5, 6, 7	6.S	42.E	36	Lots 1, 2, 3, 4, S2N2, S2	664.72	_____	_____
Sheridan								
145	1, 2, 3, 4, 5, 6	34.N	54.E	16	All	* 640.00	_____	_____
146	1, 2, 3, 4, 5, 6, 8	35.N	54.E	36	All	640.00	_____	_____
147	1, 2, 3, 4, 5, 6	36.N	52.E	29	SE4SW4	40.00	_____	_____
148	1, 2, 3, 4, 5, 6, 8, 10	36.N	52.E	32	E2NW4, E2SE4, SW4SE4, NE4SW4, N2SE4SW4	260.00	_____	_____

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bidder	Bid \$/Acr
149	1, 2, 3, 4, 5, 6, 7, 10	37.N	51.E	36	SE4NW4, NE4, S2	* 520.00	_____	_____
150	1, 2, 3, 4, 5, 6, 7	37.N	52.E	16	N2, N2SE4, SE4SE4, NE4SW4	480.00	_____	_____
Stillwater								
151	1, 2, 3, 4, 5, 6	1.S	19.E	16	All	640.00	_____	_____
152	1, 2, 3, 4, 5, 6	1.S	19.E	36	All	640.00	_____	_____
153	1, 2, 3, 4, 5, 6, 7	2.S	19.E	2	Lots 1, 2, 3, 4, S2N2, S2	640.60	_____	_____
154	1, 2, 3, 4, 5, 6, 7	2.S	19.E	16	All	640.00	_____	_____
155	1, 2, 3, 4, 5, 6, 10	2.S	19.E	36	All	640.00	_____	_____
Teton								
156	2, 3, 4, 5, 6, 15	22.N	8.W	1	SE4NW4, SW4NE4, SE4, NE4SW4, S2SW4	360.00	_____	_____
157	2, 3, 4, 5, 6, 15	22.N	8.W	2	Lot 2, SW4NE4	73.45	_____	_____
158	2, 3, 4, 5, 6, 15	22.N	8.W	3	SE4NW4	40.00	_____	_____
159	2, 3, 4, 5, 6, 15	22.N	8.W	5	Lot 1, SE4NE4	76.04	_____	_____
160	2, 3, 4, 5, 6, 15	23.N	8.W	34	SE4SE4	40.00	_____	_____
161	2, 3, 4, 5, 6, 15	23.N	8.W	35	SE4NW4, SE4, NE4SW4, S2SW4	320.00	_____	_____
162	2, 3, 4, 5, 6, 15	23.N	8.W	36	All	640.00	_____	_____
Toole								
163	1, 2, 3, 4, 5, 6	33.N	4.W	16	All	* 640.00	_____	_____
164	1, 2, 3, 4, 5, 6	33.N	4.W	27	SW4	* 160.00	_____	_____
165	1, 2, 3, 4, 5, 6	33.N	4.W	28	SE4SE4	* 40.00	_____	_____
166	1, 2, 3, 4, 5, 6	33.N	4.W	33	NE4NE4	* 40.00	_____	_____
167	1, 2, 3, 4, 5, 6, 16	36.N	3.W	16	All	640.00	_____	_____
Wibaux								
168	1, 2, 3, 4, 5, 6, 7	17.N	58.E	16	All	640.00	_____	_____
169	1, 2, 3, 4, 5, 6	17.N	58.E	36	All	640.00	_____	_____
170	1, 2, 3, 4, 5, 6	17.N	59.E	12	SW4SE4, SE4SW4	80.00	_____	_____
171	1, 2, 3, 4, 5, 6	17.N	59.E	16	All	640.00	_____	_____

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bidder	Bid \$/Acr
172	1, 2, 3, 4, 5, 6, 8	17.N	59.E	36	All	640.00	_____	_____
173	1, 2, 3, 4, 5, 6, 8	17.N	60.E	8	SE4	160.00	_____	_____
174	1, 2, 3, 4, 5, 6	17.N	60.E	16	All	640.00	_____	_____
175	1, 2, 3, 4, 5, 6, 10, 11, 12	18.N	57.E	1	Lots 1 thru 9, S2NE4, SE4SW4, SE4, Yellowstone Riverbed and related acreage	664.00	_____	_____
176	1, 2, 3, 4, 5, 6, 7	18.N	58.E	16	All	640.00	_____	_____
177	1, 2, 3, 4, 5, 6, 7	18.N	58.E	22	S2	320.00	_____	_____
178	1, 2, 3, 4, 5, 6	18.N	59.E	1	Lots 1, 2, 3, 4, S2N2, S2	649.88	_____	_____
179	1, 2, 3, 4, 5, 6	18.N	59.E	4	Lots 1, 2, S2NE4	156.74	_____	_____
180	1, 2, 3, 4, 5, 6	18.N	59.E	16	All	640.00	_____	_____
181	1, 2, 3, 4, 5, 6	18.N	59.E	18	Lots 3, 4, E2SW4, SE4	314.64	_____	_____
182	1, 2, 3, 4, 5, 6, 8	18.N	59.E	28	N2	320.00	_____	_____
183	1, 2, 3, 4, 5, 6	18.N	59.E	36	All	640.00	_____	_____

Summary by Lessor

Dept of Natural Resources & Conservation

76991.03

183

Total Acres for Lease Sale 76991.03

Total Tracts for Lease Sale 183

* Part or all of tract is not state-owned surface

Additional lease stipulations are listed on the following pages. The STIP Column on the lease sale list identifies which stipulations will be attached to each tract.

Sight drafts will not be accepted. The State Board of Land Commissioners reserves the right to reject any and all bids. All payments are due within ten days after the date of sale.

Individuals with disabilities needing assistance or special services, please call Julie David at (406)444-4576 at least 1 week prior to the sale.

STATE BOARD OF LAND COMMISSIONERS

Stipulations

1. Lessee shall notify and obtain approval from the Department's Trust Land Management Division (TLMD) prior to constructing well pads, roads, power lines, and related facilities that may require surface disturbance on the tract. Lessee shall comply with any mitigation measures stipulated in TLMD's approval.
2. Prior to the drilling of any well, lessee shall send one copy of the well prognosis, including Form 22 "Application for Permit" to the Department's Trust Land Management Division (TLMD). After a well is drilled and completed, lessee shall send one copy of all logs run, Form 4A "Completion Report", and geologic report to TLMD. A copy of Form 2 "Sundry Notice and Report of Wells" or other appropriate Board of Oil and Gas Conservation form shall be sent to TLMD whenever any subsequent change in well status or operator is intended or has occurred. Lessee shall also notify and obtain approval from the TLMD prior to plugging a well on the lease premises.

Issuance of this lease in no way commits the Land Board to approval of coal bed methane production on this lease. Any coal bed methane extraction wells would require subsequent review and approval by the board.

3. The TLMD will complete an initial review for cultural resources and, where applicable, paleontological resources of the area intended for disturbance and may require a resources inventory. Based on the results of the inventory, the TLMD may restrict surface activity for the purpose of protecting significant resources located on the lease premises.
4. The lessee shall be responsible for controlling any noxious weeds introduced by lessee's activity on State-owned land and shall prevent or eradicate the spread of those noxious weeds onto land adjoining the lease premises.
5. The definitions of "oil" and "gas" provided in 82-1-111, MCA, do not apply to this lease for royalty calculation purposes.
6. If the State does not own the surface, the lessee must contact the owner of the surface in writing at least 30 days prior to any surface activity. A copy of the correspondence shall be sent to TLMD.
7. Due to unstable soil conditions on this tract and/or topography that is rough and/or steep, surface use may be restricted or denied. Seismic activity may be restricted to poltershots.
8. The lessee is responsible to pay for all damages, including penalties and charges assessed by the USDA-CFSA on CRP lands, as a result of drilling and production on the tract.
9. Active sage grouse lek(s) have been identified on or adjacent to this tract. No activities shall occur on the tract until the proposed action has been approved in writing by the Director of the Department. If surface activity is proposed on the tract, the department will consult with the Director of the Department of Fish, Wildlife and Parks for his or her comments, concerns and recommendations. Additional mitigation measures may be required, including no-surface-occupancy buffers and/or timing restrictions, which may encompass part or all of the tract.
10. Unless otherwise approved by the Department in writing, wells and related surface infrastructure, including new road construction, are prohibited within 1/4 mile of the mean high water mark of a navigable river, lake or reservoir, including direct tributary streams of navigable waterways, on or adjacent to this tract. No surface occupancy is allowed within the bed of a river, stream, lake or reservoir, islands and accretions or abandoned channels.

Stipulations

11. This tract contains navigable riverbeds. No surface occupancy is allowed within the bed of the navigable river, abandoned channels, or on islands and accretions. In addition, upon completion of a successful well, where river title is disputed, the lessee will file an interpleader action under Rule 22, M.R.Civ.P. in the Montana District Court, or other court having jurisdiction, in which the leased lands are located for all acreage within the lease in which the title is disputed. The lessee shall name all potential royalty claimants as defendants.
12. If the lessee completes a successful oil and/or gas well, and if land title is disputed, the lessee shall fund professional land surveys as needed to determine the location and acreage encompassed by the spacing and/or pooling unit and the state lease acreage within that unit. Surveys shall be conducted by a licensed land surveyor acceptable to the Department, and shall be prepared pursuant to survey requirements provided by the Department. If necessary, the lessee will file an interpleader action under Rule 22, M.R.Civ.P. in the Montana District Court, or other court having jurisdiction, in which the leased lands are located for all acreage within the lease in which title is disputed. The lessee shall name all potential royalty claimants as defendants.
13. Due to existing surface uses (such as center pivots, wheel lines, etc.) development on this tract may be restricted.
14. This lease includes areas that may be environmentally sensitive. Therefore, if the lessee intends to conduct any activities on the lease premises, the lessee shall submit to TLMD one copy of an Operating Plan or Amendment to an existing Operating Plan, describing in detail the proposed activities. No activities shall occur on the tract until the Operating Plan or Amendments have been approved in writing by the Director of the Department. TLMD shall review the Operating Plan or Amendment and notify the lessee if the Plan or Amendment is approved or disapproved.

After an opportunity for an informal hearing with the lessee, surface activity may be denied or restricted on all or portions of any tract if the Director determines in writing that the proposed surface activity will be detrimental to trust resources and therefore not in the best interests of the trust.

15. This lease is located within the Rocky Mountain Front area established under federal legislation removing mineral leasing and development on federal fee title lands, and federal minerals and has been identified as environmentally sensitive. The Rocky Mountain Front area is a crucial fish or wildlife area or corridor; has FWP owned surface rights; has an existing or is in the process of having conservation easements established and has important recreational value to the citizens of Montana. Therefore, except as otherwise provided below, the lessee shall not conduct any surface operations on the lease premises. If the lessee determines that surface operation on the lease premises may be required, the lessee shall submit a proposed Operating Plan or Amendment to an existing Operating Plan to the State Board of Land Commissioners and notify the Director of Fish, Wildlife and Parks describing in detail the proposed operations. No surface activities shall occur on the lease premises unless and until the Operating Plan or Amendment is approved by the Board. In determining whether to approve the proposed Operating Plan or Amendment, the following provisions shall apply:

- 1) If the lessee proposes an activity that does not entail any significant surface disturbance (not in excess of 1 well pad/640 acres), the Board may approve the same after completion of the appropriate environmental review in accordance with the Montana Environmental Policy Act (MEPA). As part of the MEPA process, DNRC will provide for an on-the-ground consultation with FWP, and an opportunity for public comment on the proposed activity. Public involvement in the environmental review process shall be actively solicited by the preparer of the environmental review document and shall include, at minimum, adequately noticed public meetings in three major daily publications including Missoula, Great Falls and Helena; legal notices to those non-daily papers in the affected counties, and detailed notification of landowners who own the surface rights, or directly adjacent rights, who would be impacted by development.

Stipulations

- 2) Before the Board approves any proposed activity on the lease premises that entails a significant surface disturbance (in excess of 1 well pad/640 acres), an environmental impact statement (EIS) shall be completed in accordance with MEPA. The EIS shall analyze the potential impacts of alternative and future potential levels of oil and gas development and extraction on an ecosystem scale as the ecosystem is defined by the "Limits of Acceptable Change - Bob Marshall Wilderness Complex" adopted by the Montana Department of Fish, Wildlife and Parks in December 1991, and any successor thereto. The analysis shall consider all relevant information, which may include, but is not limited to, existing environmental reviews and management plans, and new data concerning climate change, private lands conservation efforts, and fish and wildlife distribution and migration patterns. Public involvement in the environmental review process shall be actively solicited by the preparer of the environmental review document and shall include, at minimum, adequately noticed public meetings in at least three communities including Great Falls and Helena.
 - 3) The proposed surface activity shall adhere to the "Interagency Rocky Mountain Front, Wildlife Monitoring/Evaluation Program, Management Guidelines for Selected Species" adopted by the Montana Department of Fish, Wildlife and Parks in September 1987, or any successor guidelines thereto.
 - 4) The Board may refuse to approve any proposed surface operations if it determines that they do not constitute the best use of trust resources or are not in the best interest of the State of Montana.
16. This tract is located within the Kevin-Sunburst oil and gas field area and is adjacent to a portion of the Kevin Rim ACEC. The Department will solicit input from the Montana Department of Fish, Wildlife and Parks for any new well proposals.

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Trust Land Management Division



BRIAN SCHWEITZER, GOVERNOR

1625 ELEVENTH AVENUE

DIRECTOR'S OFFICE (406) 444-2074
TELEFAX NUMBER (406) 444-2684

PO BOX 201601
HELENA, MONTANA 59620-1601

TO ALL INTERESTED PARTIES:

RE: December 1, 2009 Oil and Gas Lease Sale

In order to give as much advance notice as possible, please be advised that the date of the December 2009 Oil and Gas Lease Sale has been set for **TUESDAY, DECEMBER 1, 2009**, at 9:00 A.M. in the auditorium of the Department of Transportation building at 2701 Prospect Avenue, Helena, Montana, east of the interstate highway. Please call the Department of Natural Resources and Conservation for detailed directions, if necessary.

The deadline filing date for submitting applications on tracts to be nominated for the sale in December is 5:00pm on September 22, 2009. Applications must be received in this office by that date. If you have any questions, please contact me at jdavid@mt.gov or (406) 444-4576.

Julie David, Supervisor
Mineral Leasing Section
Minerals Management Bureau